

CARMEUSE GROUP Annual Report as of December 2008

- 1. Net turnover reaches €1,181.1 million, a 24.1 % positive evolution when compared to the same period 2007 (4.4% excluding the impact of acquisitions and currency exchange rates).**
- 2. EBITDA amounts to €253.1 million, a 16% improvement compared to 2007 (while a negative evolution of 8.5% when excluding the impact of acquisitions and currency exchange rates).**

OPERATIONS

The increase in turnover reflects a strong volume performance during the first half of the year contrasted by the sharp decrease in volume resulting principally from the reduction in demand from the steel and building industries during the last quarter.

Our operating profit was impacted by rising fuel and energy costs, which we were only partially able to pass on to our customers, as well as the steep economic downturn in the last quarter that impacted both volumes and margins.

Benelux and French regions reflected higher sales linked to increased volumes of stone and lime. Such performance has not been reflected in the operating result due to the negative impact of increased fuel and staff costs.

Italian sales slightly decreased due to lower volumes in the building and soil stabilization markets during the full year as well as reduction in demand from the steel industry in the last quarter. Decreased activity and rising energy costs have negatively impacted the operating performance.

Central & Eastern European region has seen increased sales reflecting higher volumes and demand. However energy costs have negatively impacted the operating result while intensive capital expenditures programs generated a higher level of depreciation expenses.

The full consolidation of the Turkish operations (since the end of 2007) and higher volumes of lime, contributed positively to the Group's sales and operating result (despite increased petcoke costs and Turkish Lira devaluation).

The turnover of the North American region increased 3.6 % compared to 2007 (excluding the impact of the Oglebay Norton activity and foreign currency) reflecting high demand from the steel industry in the first half of the year and the ability to pass on higher energy costs in the second half of the year. This region was on pace to have record volumes until the impact of the economic decline in the fourth quarter.

The flue gas treatment segment performed well during the full year; however, due to the poor housing market, the demand from the building industry was low.

The integration of the activities of Oglebay Norton (US)– acquired in February – has positively contributed to the Group result and post acquisition synergies reached higher level than expected.

FINANCE

The net debt is close to € 850 Mios excluding the € 100 Mios Subordinated Convertible Bond that has been fully converted into equity early February 2009. This significant contribution from the Shareholders has reinforced the Group's financial structure.

Compared to the previous year, the level of debt and interest charge increased as a result of the funding of the acquisition of Oglebay Norton.

RESULT BEFORE TAXES

Despite exceptionally challenging environment (acquisition and integration of Oglebay Norton - downturn of the economy started in the last months of the year), the year 2008 ended with a profit before taxes amounting to € 41.5 Mios (as compared to € 60.9 Mios for same period last year).

PERSPECTIVES

Carmeuse is materially impacted by the current economic downturn given its exposure to the steel and building sectors. Like for most industries, the visibility on the medium term evolution of our key markets is limited, particularly on the steel market that suffered a sharp reduction in production pace in the last 6 months as well as in the construction sectors.

However, thanks to the flexibility of our network of plants, we are able to efficiently adapt our production capacity to the significantly lower demand. Along with a reduction in capital expenditures and strict working capital control, these initiatives will mitigate the effects of the economic downturn and prepare Carmeuse to be well positioned when the recovery will take place.

The Carmeuse Group is a leading global producer of lime, with almost 150 years of experience in the extraction and processing of high calcium limestone and dolomitic stone into lime and lime-related products for industrial and commercial customer.

Lime is used in multiple aspects of our everyday life (steel, construction, agro-food, paper, chemicals, plastics, carpets, paints, pollution control, water treatment.) .

Carmeuse is present in about 90 locations across Western Europe (Italy, Belgium, France and the Netherlands), Central and Eastern Europe (Slovakia, the Czech Republic, Hungary, Romania, Bosnia and Turkey), North America (the United States and Canada) and Africa (Ghana).

Total consolidated group net turnover amounted to 1.2 billion Euros in 2008.